



**AMERICAN
ALARM®**

October 7, 1996

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Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M. Street, N.W.
Washington, DC 20554

Re: CC Docket No. 96-152

DOCKET FILE COPY ORIGINAL

Dear Mr. Caton:

The Federal Communications Commission's new rules to implement the alarm monitoring provisions of the Telecommunications Act of 1996 will have a direct impact on the livelihood of my family and those of my 60 colleagues here at American Alarm. Our company is a provider of alarm monitoring services, so we are vitally interested in CC Docket No. 96-152, which will implement Section 275 of the 1996 Act. I urge the Commission to resist Bell Company attempts to reduce the section to a meaningless technical provision.

Please Consider the Following Points:

1. Our company is completely dependent on NYNEX for connection of our alarm monitoring customers to our monitoring station. There is no practical alternative at this time. We are vulnerable to potentially anti-competitive conduct by NYNEX.
2. Section 275 provides a five year period to permit local competition to develop, which will give alarm monitoring service companies, like American Alarm, an alternative local network to use. No local competitors have yet begun the process of entry into our market, and it may be years before there is a viable alternative to NYNEX.
3. American Alarm understands that certain Bell Companies now contend that Section 275 is only a very narrow prohibition. Accordingly, these incumbent monopolists contend that Section 275 allows them immediately to resell alarm monitoring services, or engage in marketing, sales agency, billing, and customer inquiry services associated with alarm monitoring services. Moreover, these Bell Companies plan to be compensated for these activities through a percentage of the alarm monitoring revenues. This interpretation of Section 275 will give NYNEX all the same opportunities and incentives to discriminate and compete unfairly that it would have had if the 5 year ban did not exist. In other words, it will make the 5 year prohibition meaningless and could have an extremely detrimental impact on us at American Alarm.

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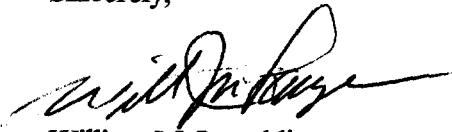
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4. American Alarm further understands that Ameritech has invented a reading of Section 275 that would subvert the ban on that company's acquisition of other alarm monitoring services for 5 years. In fact, Ameritech has announced its purchase of the alarm business of Circuit City Stores, and has solicited numerous other companies in an effort to buy them out. If allowed to prevail, this reading of Section 275 will render meaningless the 5 year prohibition on Ameritech's purchase of other alarm monitoring companies. Again, the protection provided to small alarm monitoring businesses by Section 275 will be eliminated.
5. American Alarm also has learned of still another Bell Company effort to undermine Section 275. This time, U S West contends that it offered services prior to November 30, 1995, which qualify it to participate in the alarm monitoring business in the same way as Ameritech. As with the other Bell Company attempts to escape the provisions of Section 275, it is critical to American Alarm that this effort not succeed. Enforcement of the provisions of Section 275 for the 5 year probationary period is crucial if local competition is to develop sufficiently to provide alarm companies with alternative sources of local transmission.
6. We at American Alarm believe that the '96 Act represents a congressional compromise between the interests of the alarm monitoring industry's fears of anti-competitive conduct by the Bell Companies and the telephone companies' desire to enter the alarm business. A 5 year prohibition to enable local competition to take root before Bell Company entry seems to balance the interests of the parties fairly. If the recent Bell Company efforts succeed in interpreting Section 275 as a narrow, trivial provision, however, the entire intent and effect of the interim protection will be lost.

All of us at American Alarm urge the FCC to reject these Bell Company distortions of Section 275 and implement it in a manner consistent with Congress' intent.

Sincerely,



William McLaughlin
Operations Manager
American Alarm & Communications